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C O N F I D E N T I A L KATHMANDU 001391

STPDTS

SIPDIS

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TAGS: PGOV PTER NP

SUBJECT: PREDICT LARGE BUT PEACEFUL MAOIST RALLY IN CAPITAL

ON JUNE 2

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b,d).

Summary

11. (C) Leaders of two "royalist" parties separately told the Ambassador that the Maoists were gathering large numbers of people for the planned June 2 rally in Kathmandu as a show of strength; as the Maoist goal was to pave the way for a "second revolution" if they were unable to achieve power through talks with the government. Both leaders noted that the government needed to take swift action both to get the security forces under civilian control and to work with the military closely to counter the Maoist threat. Both also supported a strong role for a united international community in pressuring the Maoists to give up arms before entering the mainstream. End Summary.

Maoists Mobilizing People for Capital Rally

12. (C) Pashupati Shumsher Rana, Chairman of Rastriya Prajantanta Party (RPP), and Dr. Prakash Chandra Lohani, Co-Chairman of Rastriya Jyanashakti Party (RJP), told the Ambassador in separate meetings on May 31 and June 1, that the Maoists will successfully mobilize large numbers of people to participate in the planned June 2 rally in Kathmandu. Both were confident that the Maoists had no incentive to provoke violence by the demonstrators. However, they expressed concern that the demonstrations were part of a concerted effort by the Maoists to set the stage for a "second revolution" should talks with the government fail. Lohani noted that Maoists in Nuwakot District were mobilizing 25,000 people by commandeering buses and vehicles and compelling at least one person from each family, regardless of political party affiliation, to participate in the June 2 rally in neighboring Kathmandu. (Note: While both RPP and RJP are "royalist" parties, both support a constitutional monarchy under multi-party democracy, and both condemned King Gyanendra's power grab. End note.)

Critical To Get Army Under Civilian Control...

13. (C) Rana stressed that it was critical that the government get the Nepalese Army (NA) under civilian control and guidance quickly. He suggested that the Government of Nepal (GON) should take the NA into its confidence and reassure the NA its institutional integrity would be respected. He believed, for example, that reassurances to the army regarding key appointments and promotions would strengthen civil-military relations in the face of coming challenges. Both Rana and Lohani felt confident that the NA would ultimately support civilian leadership. Lohani emphasized the need to strengthen civil-military bonds.

...Because Maoist Threat Looms

- 14. (C) Rana worried that the Maoists would implement a "second revolution" if they were not able to achieve power through talks. He noted that the Maoists continued to use force to get people on to the streets for demonstrations like the one planned for June 2 and were continuing recruitment and conscription. Rana also emphasized that the management of arms during the cease-fire would be critical. He proposed that a cease-fire agreement be executed to address inadequacies in the Code of Conduct by establishing firm arrangements to manage weapons collection.
- 15. (C) Lohani predicted that the Maoists would not take to the jungle if they did not get their way, but rather would continue to organize mass street protests. Lohani believed that the Maoists were confident that they would come to power and be able to carry out key programs such as "land reform." He was worried that the Maoists would take advantage of the political parties' inability to act quickly and decisively.

He believed that the government needed to articulate a "bottom line" and explain it to the people. He welcomed the Ambassador's suggestion that the Parties might need to hold constituent assembly elections even if the Maoists did not agree to participate.

International Pressure Key

 $\underline{\P}6.$ (C) Lohani and Rana both urged the international community to unite and become more involved. Lohani noted that the international community could play a key role in pressuring the Maoists. He commented that it was important that the U.S. and India kept the Maoists on their terrorist lists. Citing the example of international reaction to Hamas joining the Palestinian Authority government, Lohani said Nepali political parties should pressure the Maoists to disarm before joining the government or else the international community would shun Nepal; he cautioned that the international community needed to be more united against the Maoists. Rana urged $t\bar{h}at$ India, the U.S. and the U.K get together to press the government to put the army under civilian control as a matter of urgency. He also requested that all three countries restart security assistance. Rana argued in favor of the international community forgiving some of Nepal's debt. Decreasing its debt burden would serve to strengthen the country, he explained.

King Should Keep Low profile

17. (C) Lohani said that if the King kept a low profile that projected support for the new government and repented for past mistakes the people of Nepal would support a constitutional monarchy. Rana agreed that the King might try to reassert himself and approved of GON efforts to prevent any comeback plans.

Comment

18. (C) Despite the cease-fire, the Maoists appear to be forcing people to participate in their mass rallies. The

government seems willing to allow the Maoists to conduct their rallies, despite Maoist leader Prachanda's recent threats to revert to violent protests should talks fail. The GON is betting that the rallies will not strengthen the Maoists' hands, while providing demonstrable proof of the government's desire to work out a peace agreement with the insurgents.

MORIARTY